

HARRIMAN TELLS OF HIGH FINANCE

Five Hours on Witness Stand and Testifies as to Watering of Railway Stocks.

REFUSES TO ANSWER IMPORTANT QUESTION

Magnate Declines to Tell Commission How Much Alton Stock He Held Individually—An Epic in Ciphers.

By Associated Press. NEW YORK, February 25.—E. H. Harriman spent today in a recital of the intimate history of the federal operations of himself and associates before the interstate commerce commission, which is investigating the consolidations and combinations of carriers, their rates and practices. Special counsel for the government made a particular attack upon the reorganization and financing of the Chicago & Alton by the Harriman system, and their action, with a challenge by counsel for the railroads of the right of the interstate commerce commission to inquire into private transactions of individuals, constituted the two chief events of the day. Harriman declined to tell what proportion of preferred stock of the Alton was held by him individually and the way was paved for taking the question to the federal courts. The point raised involves the material limitation on the inquisitorial power of the commission and is of serious importance to the whole question of the interstate commerce commission in operation investigation.

Stock Highly Inflated There was an effort to show that there had been an enormous inflation of stock securities and liabilities of the Alton; that the Harriman syndicate had taken unfair profits by declaring a dividend of 30 per cent from the proceeds of the first sale of bonds, amounting to \$400,000; that the syndicate had sold itself bonds at an unreasonably low figure to resell the bonds at enormous profits; that the Harriman syndicate had in the Alton capitalized the loss of former stockholders in the and the money had been spent by the old management for betterments over a period of ten years and was almost charged to operating expenses; that the books of the company had been falsified and that for an increase of stock and liabilities from about \$40,000 to \$116,000,000 there was nothing to show except the expenditure of \$22,000,000 in improvements on the property.

Denies All Charges Harriman's testimony was a denial of all these charges. He made an extended explanation in defense of the transactions, which he contended were fully justified by conditions and circumstances of the time and had been conducted entirely in the open.

Harriman's examination lasted five hours and was unmarked by acrimony. The witness declined to be led into an attempt to explain details of the Alton operations and constantly referred the questions to the records of the Alton. Harriman's testimony began with the issuance of \$100,000,000 of convertible bonds by the Union Pacific for the purpose of primarily paying for the Southern Pacific in 1901, and then led through the purchase in connection with the Oregon Short Line and Northern Pacific stock.

Harriman identified the statement showing that since the first of last July the Union Pacific and the Oregon Short Line have purchased stocks at a cost of \$100,000,000, and Mr. Kellogg, the government's attorney, sought to show that figured by the price in the market today there had been a loss of \$11,000,000 on the investment. Mr. Harriman said this is possibly true and when further questions he asked permission to explain.

Enormous Profits The witness said that if Northern Pacific and Great Northern maintain their present prices the profit in Northern Pacific investments would amount to about \$21,000,000. The witness was taken over the total investments and sales made by the Union Pacific and the Oregon Short Line and in the end denied that they had been made for speculative purposes.

The witness then related the story of the purchase of \$45,000,000 of the stock of the Baltimore & Ohio, payment for which would, he said, be completed in March and September next.

Inquiry about the Union Pacific purchase of stock in the Alton led the way to the first objection of counsel for Harriman as to the amount of stock the witness held in Alton. The witness explained the sale of the stock and testified that he served on the committee which had fixed the price at \$84.50. He was asked if he owned any of the stock when deposited. Mr. Milburn objected, saying that his clients were ready to lend every possible assistance in the inquiry and they rejoiced that they were given an opportunity to clear away many scandalous and unjust reports. He denied, however, that the witness had any bearing on any question of interstate commerce.

Wrangle Over Question There was an extended discussion. At the afternoon session the commission decided it had a right to make the inquiry. The objection noted, the witness formally declined to answer the question. An examination of the entire transcript

tion then begun. Harriman first told of the formation of a syndicate which, he said, connected many persons and was represented by himself, James Stillman, George Gould and Mortimer Schiff. Ninety-seven per cent of the stock of the Alton was acquired at \$200 paid for preferred and \$175 for common, the total investment amounting to \$42,000,000.

Bonds to the amount of \$40,000,000 were issued to shareholders and subscribed for by them at \$65. From proceeds of the sale of bonds a dividend of 30 per cent was declared. The witness denied participation in the sale of bonds at \$96 to the New York Life.

The witness denied all knowledge of the whereabouts of the record of the syndicate which handled the bonds.

Kellogg said: "I want to prove that after you bought the bonds for \$65 you sold them for some other price."

But the witness could not remember for what they were sold and who were the syndicate managers.

Transfer of Alton The witness told of the transfer of the Alton Railroad company to the Alton Railway company. When the stock was placed in the treasury of the latter company a mortgage of \$22,000,000 was placed on it and preferred stock to the amount of \$19,439,000 and common stock to \$19,842,000 at par was issued against it.

"In other words, you capitalized \$39,000,000 of Alton stock for \$22,000,000?" asked Mr. Kellogg.

"That is as you put it," answered Harriman.

The witness said the new company assumed a mortgage of \$40,000,000 issued by the old one. Kellogg declared that the stock liabilities of the company had thus been swelled to \$122,000,000.

Kellogg asked what the roads had to show for an increase of more than \$70,000,000 in liabilities except \$22,000,000 spent in betterments.

He declared the difference was water.

IS ACCUSED OF FORGING CHECKS

Charles Maguire Will Have His Hearing Today on Charge of Forgeries

Charles Maguire will have a preliminary hearing this morning in Justice (Lawling's) court on the charge of forgery. He was arrested at Bowie Sunday, brought to Globe and locked up in the county jail.

Maguire was in charge of a pump for Robert Sherer & Co. at their construction camp, two miles from San Carlos, and about ten days ago he is alleged to have stolen four blank checks from the timekeeper's book and to have filled them out, signing the foreman's name to two and the timekeeper's name to the other two.

One of these checks, drawn for \$63.15, Maguire negotiated at the store of Alexander & Ruppke, the San Carlos traders, and another for like amount was cashed by the Fort Thomas Commercial company. Not satisfied, Maguire is said to have gone to Safford and to have presented one of the bogus checks to the Bank of Safford. The cashier of that institution, however, became suspicious and wired to the construction firm. An answering telegram informed the bank that the check was forged, but Maguire had already started to shake the dust of Safford from his feet. He got as far as Bowie, where he was apprehended.

NEGRO BALDWIN SAYS NOT GUILTY

Motion to Quash Indictment Is Overruled and Trial Set for March 5

For the first time in court since the crime for which he is charged, William Baldwin, the negro who was indicted for the murder of Mrs. Harvey Morris and child at Roosevelt on January 31 last, appeared in court yesterday at Solomonsville to be arraigned on the indictment which was found by the grand jury of this county.

Judge Nave presided and before Baldwin's plea was received preliminary motions were made by the attorneys appointed to defend the negro, C. L. Rawlins and F. C. Jacobs. The first was a motion to set aside the indictment and the second a similar one, which was accompanied by an affidavit of the defendant alleging that he did not have an opportunity to examine the grand jury and that he had had no preliminary hearing. Both were denied. A demurrer to the indictment was also overruled.

Baldwin was then formally arraigned and entered a plea of not guilty. Judge Nave set the trial for a week from today, March 5, and ordered the drawing of a venire of fifty jurymen to be summoned on that day.

District Attorney Stoneham and Assistant District Attorney Henry appeared on behalf of the territory.

Fine Bank Quarters The Globe National Bank is now occupying its new quarters in the Trust building and they may well be proud of their new home, as the bank is one of the finest equipped in the territory. The removal was made Sunday and Assistant Cashier Todd, who is in charge during the absence of Cashier Smith, opened the bank for business in the new quarters yesterday morning.

COUNCIL PASSES GLOBE CITY BILL

Measure Validating Incorporation of the City Will Also Pass the House.

GOVERNOR WILL NAME PRISON COMMISSION TODAY

Signs the Prison Bill Yesterday—House Passes Substitute for Bill Excluding Women and Minors from Saloons.

Special to the Silver Belt. PHOENIX, Ariz., February 25.—This was not a history-making day in the legislature, though much was done. The governor signed the prison commission bill and it is thought that he will announce the appointment of the commissioners tomorrow.

Hunt's bill to validate the incorporation proceedings of Globe passed the council under a suspension of the rules and McCormick was hurrying it through the house in a similar manner when objection was raised. It was stated that a Phoenix lawyer desired to appear before the committee in opposition to the bill. It will possibly be reported back in a day or two, but it is stated that there will be no serious opposition to its passage.

Want Rangers Abolished The ranger question came out of the live stock committee with the majority report against repealing the bill. A minority report recommended the passage of the bill, but before a lineup could be secured it was decided to let the matter go over for the day.

The last of the bills from this county to amend the law so as to reduce the expense of the precinct offices were killed today in the house. The principal bill sought to put justices and constables in more populous precincts on salary.

The house passed a substitute for the council bill excluding women and minors from saloons. The substitute only exempted reputable hotels with bars attached from the operation of the bill and there is no doubt that the council will concur in the substitute.

Other bills passed were of local character or made unimportant amendments in existing laws. Hampton of Graham offered a bill amending the law with reference to the location of county seats. The bill is supposed to have reference to designs in Graham county. The main provision of the bill is that an election must be ordered on a petition by one-fourth of the voters in the county.

Want Taxes Paid First Other new bills in the house were: By Day, providing that before one can legally complain of his taxes he must pay them and then ask for review. The bill is similar to the Andrews law. By Pace, changing the law with reference to incorporation fees.

By Bailey, to establish irrigation districts, like the Colorado districts and similar to the Colorado law.

Council bills introduced were: By O'Neill, providing that before mining companies can incur indebtedness for supplies or anything else they must have money on deposit. The bill is aimed at fly-by-night companies.

By Scott of Navajo, amending the present law concerning suits for damages for personal injuries.

By Scott, providing for the collection of taxes on transient flocks of sheep and goats. Flocks must be assessed in the county where the owner resides. The owner must file a statement of the wandering of his flocks and the time spent in various counties and on this statement the whole amount of taxes will be divided among the counties.

PEACE IF WE HAVE TO FIGHT FOR IT

Central American Republics Threatened with Big Stick if They Aren't Good

By Associated Press. WASHINGTON, February 25.—Unless Nicaragua and Honduras speedily agree to arbitration of their difficulties in response to a suggestion from the United States and Mexico, it is not probable that intervention will be resorted to in order to bring to an end the present state of hostilities.

It became known today that within the last day or two a second note was sent to the presidents of Nicaragua and Honduras in effect conveying this threat. No replies have been received and while in official circles hope is expressed that further bloodshed may be averted, it is the underlying belief that it will be necessary for either the United States or Mexico to step in and force arbitration.

Honduras Town Captured MANAGUA, Nicaragua, February 25.—San Marcos de Colon, a well fortified town in Honduras, which was defended by Solomon Ordonez, Honduras minister

of war, at the head of a strong army, was captured by the Nicaraguan forces at 4 o'clock this afternoon.

Wants Filibusters Stopped

WASHINGTON, February 25.—Advices received by the state department today through Minister Corea of Nicaragua are to the effect that the small steamer Empire, which in the past has figured conspicuously in filibustering expeditions, is being utilized for the transportation of munitions of war from Salvador to Honduras.

Minister Corea will request the government to have the steamer Newport which sailed from San Francisco Saturday for Panama with 600 cases of munitions of war for Salvador, intercepted by the cruiser Chicago, now at Acapulco, believing that these supplies are ultimately intended for Honduras. It is asserted that by prearrangement the Empire will meet the Newport at sea and have the 600 cases of war material transferred to her.

BANDITS RAID MEXICAN RANCH AND GET \$7,000

By Associated Press. EL PASO, Texas, February 25.—Bandits raided the hacienda of Jesse Salenz in the state of Durango, Mexico, Sunday night. After making prisoners of Salenz and his servants, the bandits robbed the safe of \$7,000 in gold and gathered up many thousands of dollars worth of jewelry and plate, destroying all they could not carry. Officers are searching the mountains.

MAY CLOSE DOWN ALL BUTTE MINES

Union Votes for \$4 Scale and Ryan Says They Needn't Come to Work Today

By Associated Press. BUTTE, Mont., February 25.—Returns show that the amendment to constitution of Butte Miners union, increasing the wage scale to \$4 a day, will carry by a vote of three to one. A total vote of 3,600 was cast.

If the ultimatum of John D. Ryan, managing director of the Amalgamated Copper company, is carried into effect, in case of a demand for the increase there will be no Amalgamated mine in operation Tuesday.

John D. Ryan, managing director of the Amalgamated Copper company, has sent word to the officers of the Butte Miners' union, that when the union votes to raise wages from \$3.75 to \$4.00 that the men need not report for duty. Should the Amalgamated close down it is said that 20,000 men in Montana will be affected and that the smelters at Great Falls and Anaconda would be closed, as well as many mines throughout Montana, besides timber crews, logging camps and other fields of endeavor identified with the mining interests. President Duffy of the Miners' union states in a Sunday Associated Press dispatch that the men will request the raise, but not demand it, in the event that the proposition is carried.

ESCAPES WHILE BEING DEPORTED

Villareal, the Mexican Revolutionist Tries Bribery and Then His Heels

By Associated Press. EL PASO, Texas, February 25.—Antonio Villareal, the alleged Mexican revolutionist, was turned over to the immigration authorities today for deportation to Mexico. While being taken toward the Mexican line he tried to bribe the immigration inspector to allow him to escape.

The officer refused and Villareal suddenly darted around the corner, making good his escape.

Coming for Brother's Body

A telegram has been received by F. L. Jones & Son to the effect that D. K. Beaton left Detroit on the 23d of this month to take charge of the remains of his brother, M. N. Beaton, who died here last week.

SIEGLITZ FUNERAL IS LARGELY ATTENDED

The funeral of the late Mrs. Elma M. G. Sieglitz was held at 2 o'clock yesterday afternoon from the Methodist church and was largely attended by friends of the bereaved family. Rev. Decker conducted the services at the church and at the grave and the choir of the church rendered several appropriate selections.

Rev. Decker paid a high tribute to the character of the deceased and spoke feelingly of her life as a Christian and of her many womanly virtues. James Ferguson on behalf of the Sunday school read a resolution expressing the great loss sustained by the death of Mrs. Sieglitz and appreciation of her unselfish labors in the Sunday school. The resolution offered condolences to the bereaved relatives.

Mr. and Mrs. Habey of Aravapai, parents of the deceased, and their remaining children attended the funeral.

BILLS CARRYING MILLIONS PASS

Senate Passes Agricultural, Postoffice and Pension Appropriation Bills Yesterday.

SHIP SUBSIDY BILL HELPED BY BIG STICK

Root Visits Capitol and Rule Is Made Calling for Vote on Bill not Later than Next Friday—Ratify Treaty.

By Associated Press. WASHINGTON, February 25.—The senate today passed the agricultural appropriation bill, carrying nearly \$10,000,000; the postoffice appropriation bill, carrying \$210,000,000; the pension appropriation bill, carrying \$145,000,000, and the bill authorizing the establishment of an agricultural bank in the Philippines.

The principal fight today was over the agricultural appropriation bill requiring packers to pay the cost of administering the meat inspection law. The amendment was defeated on a point of order. Beveridge secured the adoption of the amendment which requires the date of canning and inspection to appear on the label of the can containing meat products.

The postoffice bill passed in an hour and fifteen minutes. Amendments adding \$1,388,759 for the extension of pneumatic mail service and requiring postal cars to be lighted with electricity were adopted.

Mr. Lodge secured the passage of the Philippine agricultural bank bill. An amendment offered by Culberson declaring the intention of the United States to abandon the islands as soon as stable independent government should be established was adopted. The senate also passed the bill granting a service pension to army nurses. Those who are disqualified to earn a livelihood and have reached the age of 62 years are to receive \$12 monthly; 70 years, \$15, and 75 years, \$20.

Ship Subsidy in House

WASHINGTON, February 25.—The ship subsidy secured marked impetus today in the house which adopted a rule that will probably insure the passage of the Lattaer substitute for the senate bill and result before final adjournment in positive legislation. The rule was reported in the shape of a resolution providing for a compromise bill which shall be considered with debate limited to five hours and the final vote shall be taken not later than next Friday afternoon.

The rule was agreed on unexpectedly by the rules committee at a meeting held after a visit of Secretary Root to the capitol, and it is very generally understood that the administration is responsible for the committee's action.

The conference report on the Indian appropriation bill was adopted and also the conference report on the bill providing for the allotment and distribution of Indian tribal funds.

Ratify Treaty

WASHINGTON, February 25.—By a vote of 43 to 19 the senate tonight ratified the Santo Domingo treaty. This is one more vote in the affirmative than was required.

FALLS HUNDRED FEET TO DEATH

Cable Rigger on Salt River Project Strikes Hard River Bed on His Head

By Associated Press. PHOENIX, Ariz., February 25.—Harry Cross, a cable rigger aged 34 whose home is in Detroit, Mich., an employee of the reclamation service, fell a hundred feet from a cable this afternoon and was instantly killed at Granite Reef, twenty-five miles east of Phoenix. He was engaged in equipping the cable thrown across Salt river at the point of construction of the diversion dam, the government project auxiliary to the Roosevelt storage dam further up the river.

NEBRASKA WILL GET BACK TAXES

Union Pacific and Burlington Must Pay Over Three Millions to State

By Associated Press. WASHINGTON, February 25.—The case of the Union Pacific and Burlington railroads against various county

treasurers in Nebraska, involving the tax rate upon the property of the railroads and calling into question the administration of the Nebraska state tax law, were decided adversely to the railroads by the supreme court of the United States today.

Million Actually Involved

OMAHA, February 25.—The decision of the supreme court of the United States in the tax case means that the railroads that are parties to the suit must pay into the treasuries of sixty-one counties interested an aggregate of about \$3,100,000. This includes taxes for 1904-05-06. The railroads had tendered about \$2,200,000, which was considered the proper amount of their taxes, so that the amount really involved is about \$900,000. However, other roads operating in Nebraska have paid their taxes under protest and had these cases gone against the state they would have demanded a refund of about one-third the amounts paid.

Rain and Colder

By Associated Press. WASHINGTON, February 25.—Forecast for Arizona: Fair Tuesday and Wednesday except rain and much colder Wednesday in the northern portion.

C. F. & I. President Dead

By Associated Press. DENVER, Colo., February 25.—Frank J. Hearne, president of the Colorado Fuel & Iron company, died here tonight.

LYNCH RIOTERS ARE ARRESTED

Three of Four Men Indicted Give Bond and Are Released—Fourth Missing

Yesterday morning Sheriff Henry Thompson caused the arrest of three of the four men against whom indictments were returned by the recent grand jury on the charge of rioting. The men arrested were Fred Temme, a bartender employed at Monihan's saloon; John D. Houston, one of the proprietors of the Wigwam saloon, and Vance Bayless, a miner at the Old Dominion. All of the men are said to have taken an active part in the attempted lynching of William Baldwin on the night of February 2 last.

In accordance with orders of Judge Nave the three men were admitted to bail, each furnishing bond in the sum of \$1,000, and they were released from custody.

The bench warrant not yet served is for the arrest of A. E. Guthrie, a carpenter. Sheriff Thompson has not yet located him, but it is not thought that he has left this immediate vicinity.

Guthrie is said to be the man who had the rope which was proposed to serve as Baldwin's necktie had been secured the night Sheriff Thompson spirited the negro away from the jail.

The men will not be given a trial until May 9, when the next trial jury will convene.

BAILEY EPISODE APPARENTLY OVER

Texas Senate Discharges Investigating Committee and Senator Indorsed

By Associated Press. AUSTIN, Texas, February 25.—By a vote of 15 to 11 the Texas senate today discharged the investigating committee which has been in session several weeks looking into the charges against Senator Bailey. The anti-Bailey following offered a resolution instructing the committee not to bring in a report at this time, but to send a sub-committee to St. Louis to secure the testimony of H. Clay Pierce and to embody such evidence in the final report.

Adherents of Bailey promptly offered a substitute that the investigating committee be discharged at once and that Senator Bailey be fully indorsed. After a heated debate the substitute resolution passed. The issue discharging the committee will come up in the house tomorrow.

IMPORTANT DECISION OF U. S. SUPREME COURT

Attorney George R. Hill received yesterday formal notification of the action of the United States supreme court in affirming the decision of the lower courts in the case of Mrs. A. J. Lyon vs. the Gila Valley, Globe & Northern railroad. The district court awarded Mrs. Lyon \$5,000 damages for the death of her son, H. N. Lyon, July 14, 1900. Lyon was a brakeman on the G. V. G. & N. and was killed by being carried over the end of the track at the old Buffalo smelter here, the car falling a distance of forty feet. Waters Davis of El Paso and Mr. Hill were attorneys for the plaintiff. Mrs. Lyon resides in El Paso.

In the Police Court

George B. Berry pleaded guilty yesterday to disturbing the peace and paid a fine of \$10 to Justice Thomas. Antonio Martinez will see four walls for twenty days, being corralled for a misdemeanor charge preferred by Margo Martinez.

POINTS SCORED FOR HARRY THAW

Cross Examination of Wife by Jerome Is Not So Harsh as that of Last Thursday.

PREVENTED HER FROM SPENDING WHITE'S COIN

Evelyn Denies All Allegations Made in Affidavit in Hummel's Office—Indicted Lawyer on the Stand Today.

By Associated Press. NEW YORK, February 25.—Except for one brief moment Mrs. Evelyn Nesbit Thaw had a decidedly easy day today during the continuation of her cross examination by District Attorney Jerome. When adjournment was taken the prosecutor announced that he had practically concluded with the witness.

Mrs. Thaw will be temporarily excused tomorrow morning to enable Jerome to introduce Abraham Hummel to identify the photographic copy of the affidavit Evelyn Nesbit is alleged to have signed and which charges Thaw with many cruelties during their 1903 trip to Europe. Jerome got the contents of the affidavit before the jury this afternoon by reading certain of the statements in the form of questions and asking Mrs. Thaw if she told such things to Hummel. In each instance she declared she had not. She denied having ever signed such an affidavit, but admitted that she had signed some papers for White in the Madison Square garden tower, the nature of which she was not aware.

Jerome Springs Sensation

During the morning session Jerome played his strongest card of the day. Mrs. Thaw had denied positively that she had ever been to Dr. Carleton Flint with Jack Barrymore.

"Call Dr. Flint," commanded Jerome. The doctor entered from the witness room and was escorted to within a few feet of the witness chair.

"Did you ever see that man before?" Jerome asked Mrs. Thaw.

The witness seemed a bit startled, looked quickly and intently at the physician, then turned to Jerome and shook her head. "Never," she declared.

Thaw was intensely interested and when the incident was over he turned to the newspaper men and whispered: "That man made a mistake by coming here. He stood there a liar. Do you catch the point—a liar?"

Easy with Evelyn

Mrs. Thaw was in much better spirits and did not fare at all badly at the hands of the district attorney, who was more gentle in handling the witness.

Instead of further hurting the cause of her husband, Mrs. Thaw managed to make two decided gains. When court adjourned Thursday it appeared from her statements that she had used a letter of credit from White while touring Europe and that she had turned the letter over to Thaw.

She explained today that Thaw took the letter, saying the money was "poisonous," and that neither she nor her mother should touch it; that he would provide them with funds. Whatever had been spent of the money, she declared, was for her mother.

Scores Another for Thaw

The second point made was concerning cablegrams which Thaw is said to have sent to White from London. It appeared Thursday that these were requests to White to use his influence in keeping Mrs. Nesbit from "raising a row," and interfering with Evelyn continuing in the company of Thaw. Mr. Jerome's questions today elicited information that the letters did not concern Mrs. Thaw at all, but related to a man, a secretary of the American embassy in London, whom Mrs. Thaw said had "sneaked up to mamma's bedroom and insulted her."

She said the man also had insulted her and that Thaw had gone in search of him but had failed to find him.

Not Beaten by Thaw

"Did you let Mr. Thaw know any time that you had any improper relations with any other man besides White?" Jerome asked.

"No," was the decided reply. "When you went to Abe Hummel's office did you not tell him of details of the trip to Europe?"

"Yes."

"Did you tell Hummel that Thaw beat you?"

"I did not."

"Did you not tell him Thaw outraged you against your will?"

"I did not."

Brings Out Affidavit

Jerome continued to question Mrs. Thaw about her visit to Hummel, reading from the photographic copy of the famous affidavit. Mr. Jerome said he would later submit the paper to the witness, but in the meantime he got practically the entire document before the jury by asking questions covering every one of its allegations.

One of the incidents related in the affidavit was that while in Europe Thaw had torn the clothes from her body and had beaten her, acting all the while like a person demented.

It was evident that Jerome was nearing the end of his cross examination, as he later announced. The proceedings tomorrow with Hummel on the stand should be more interesting. The defense on cross examination will attempt to discredit the witness, who is under indictment.